

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH CENTRAL BELL TELEPHONE)	
COMPANY'S APPLICATIONS FOR APPROVAL)	
OF AN AGREEMENT FOR INTERCONNECTION)	CASE NO. 90-343
BY CELLULAR MOBILE CARRIERS)	

O R D E R

On October 29, 1990, South Central Bell Telephone Company ("South Central Bell") filed a petition for approval of a Letter Agreement ("Agreement") for interconnection of cellular mobile carriers. Pursuant to a motion filed by South Central Bell, an informal conference was held on January 7, 1991 to provide an opportunity for South Central Bell to discuss the background of the Agreement and its terms and conditions. On January 22, 1991, South Central Bell filed additional information in response to oral requests made by Commission Staff during the informal conference.

By Order of June 14, 1991, the Commission granted all cellular companies 30 days from the Order date to comment on the proposed agreement. South Central Bell was required to serve all certified cellular carriers with the interconnection agreement and advise them of the right to file comments. Comments were filed by Danbury Cellular Telephone Company ("Danbury") and West Virginia Cellular Telephone Corporation ("West Virginia Cellular").

The proposed Agreement establishes rates, terms and conditions for interconnection of mobile cellular traffic with South Central Bell's landline network, applicable to all present

and future cellular mobile providers who operate in South Central Bell's exchanges. In addition to facilities charges, the Agreement provides for statewide composite usage rates based on a traffic mix of Tier I, Tier II, and Tier III calls.¹ Fractional minutes on each call would be rounded to the next whole minute for purposes of billing network usage. The Agreement provides for annual review of the composite usage rates and recalculation of the rates if the elements from which the rates are derived change.

In its comments, Danbury suggested that a lower non-recurring charge for the NXX² and the first 1,000 numbers associated with the NXX plus an additional non-recurring charge for additional groups of 1,000 numbers, would benefit small cellular companies operating in rural service areas during the first years of operation. However, Danbury views the Agreement as "a generally reasonable and creative approach" and states that "the cellular industry would benefit from a uniform system of charges for cellular interconnection."

West Virginia Cellular objected to South Central Bell's proposal to round each call to the next whole minute, claiming this would be unfair to the cellular carriers and result in a

¹ Tier I calls originate and terminate within the local calling area. Tier II calls originate and terminate in different local calling areas of South Central Bell, but are within the same Metropolitan Statistical Area/Rural Service Area. Tier III calls originate inside the Metropolitan Service Area/Rural Service Area and terminate outside the area but within the LATA.

² NXX denotes the first 3 digits of a telephone number which signify the central office code.

large mark-up of the charges for network usage. Although West Virginia Cellular cited an example based on 2.2 minutes as the average length of a cellular call, no other information was provided in support of its objection. West Virginia Cellular does not utilize South Central Bell's network at the present time and, therefore, did not comment as to the reasonableness of the proposed statewide composite rate.

In response to oral data requests made by Commission Staff at the January 7, 1991 informal conference, South Central Bell filed its calculations showing individual elements for usage rate development by tier.³ These calculations shows that an adjustment factor was used in developing the usage rate to compensate for the upward rounding to the next whole minute. Thus, the West Virginia Cellular's concern has been adequately addressed.

The Commission, having reviewed the evidence of record, considered the comments filed, and being otherwise sufficiently advised, finds that the proposed agreement is fair, just and reasonable, is in the public interest, and should be approved.

IT IS THEREFORE ORDERED that:


1. The proposed Letter Agreement for interconnection of cellular mobile carriers is hereby approved, effective on and after the date of this Order.

³ Response to Oral Data Requests of KPSC, Item 2, filed January 22, 1991.

2. Within 30 days of the date of this Order, South Central Bell shall file the Agreement in tariff form in accordance with 807 KAR 5:011.

Done at Frankfort, Kentucky, this 29th day of October, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director